

of the Provincial Council, and immediately put in possession of the land. From that time all rents received from the lands have been received by the Harbour Board. Previous to 1875 some land was taken by the Government for railway purposes, and an application was made on behalf of the Provincial Government, which was then in existence, for compensation, because some of this land had been reclaimed by the Provincial Government, at a cost of some thousands of pounds. This reclamation was done for harbour purposes. At that time there was an understanding between both the General and the Provincial Governments that when the Provincial Government surrendered this land to the railway authorities without compensation the whole of Mount Eliot was to be given up for harbour purposes to the Superintendent. When this was done all claims for compensation were abandoned. The General Government had a building on Mount Eliot, which the Provincial Government paid for. I think about £50 was paid under this head. The Provincial Government then handed the land over to the Harbour Board, and from that time the Board received all rents accruing from it. Power was given to the Superintendent to convey this land to the Harbour Board by a clause in "The New Plymouth Harbour Board Ordinance, 1875." Under this clause instructions were given to the Provincial Solicitor by myself as Provincial Secretary to make a conveyance of this land to the Harbour Board, and the deed was drawn up, but, as the solicitor was a man of dilatory habits, the document was only got ready one day after the Abolition of Provinces Act came into operation. The consequence was that the Superintendent, being politically dead, could not sign the deed, and the land became vested in the Governor, who represented the Superintendent. When the Harbours Act of 1878 was passed a clause was put in for the purpose of enabling the Governor to do what the Superintendent had been empowered to do, but, owing to the fact that in Wellington it was very difficult to get provincial matters dealt with, the thing was never done. When this land was handed over to the Harbour Board by the Provincial Government they got authority to borrow money to the extent of £350,000, but we were advised that it would be well to reduce the amount to £200,000, as we could get that amount on better terms. The money was borrowed, and this land was recited in the London market as one of the securities on which the loan was raised. The Board then proceeded to cut up this block and to make streets, when the whole of the frontage, as shown on the plan, was gazetted off and taken for railway purposes. Since then we have been able to do nothing with the reserve, as it is nearly worthless with this Proclamation hanging over it. I believe that if the deed had been signed we could now contest the case in a Court of law. I will now quote a clause of "The Public Reserves Exchange Ordinance, 1875," which is to the following effect: "It shall be lawful for the Superintendent to dispose of the several portions of land described in the Schedules 1, 2, and 3 hereto, and convey the same to Her Majesty by way of exchange for the remaining portion of Mount Eliot Reserves not granted for any public purpose." The Governor did not assent to the conveyance of the land to the Harbour Board, but the Superintendent would have done so if he could. The Board has heavy liabilities to meet, and if this matter is not put right I do not know what it will do unless the Government take over these liabilities as well as the land. This is not the first time that a question of this kind has arisen. There have been two similar cases before the Public Petitions Committee, of which I am Chairman. One of them referred to the endowments of the Harbour Board at Wanganui, which was brought under the notice of the House in 1881. But that was not nearly so bad a case as this one, because the land there was taken for railway purposes, which to some extent benefited the reserve, and moreover the Government built a wharf there and handed it over to the Board free of cost. In our case, however, the Government give us nothing. In the Wanganui case the Public Petitions Committee made the following report: "That the equitable claims of the petitioners to the value of the foreshore taken for railway purposes be referred to arbitration, the arbitrators to take into consideration the benefit received by the Harbour Board by the construction of the wharf, the profits of which are received by the Board.—16th September, 1881." That report was referred by the House to the Government for their consideration, but I am not aware of the action the Government have taken. The second case is that of the Patea Harbour Board. A reserve was granted to this Board, on the security of which they borrowed money, and they were about to lease the land when the railway authorities found that it was necessary to take a line of railway through the land, and under the power they got by law they gazetted the land for railway purposes, and the Public Petitions Committee reported as follows: "The Committee are of opinion that lands given to local bodies, on the security of which money has been borrowed, should not be taken for railway purposes without fair compensation, and recommended the Government to submit the claims of the petitioners to arbitration in the usual way, in order to ascertain the value of the land taken, deductions being made for any increased value the land may have acquired by the construction of the railway.—6th September, 1882." That compensation was also given in a case at Dunedin where land was taken for railway purposes. In this case the land was reclaimed, but I believe that over and above the cost of reclamation compensation was given. The next case is that of the Lyttelton Harbour Board, which I think has been exceptionally well treated in the matter of reserves. The Government are now paying £2,000 per annum for a shed which they rent from the Lyttelton Harbour Board, and not only are they doing that, but they have also spent between £7,000 and £8,000 in order to give the Board a proper means of access to it. The total rent therefore cannot be much less than £2,600 per year. If the land which the Government have taken from the New Plymouth Harbour Board were available, I believe these frontages could be let for a considerable sum. I would mention, in connection with reserves, that whenever land which has been reserved for an Education Board has been taken, compensation has always been given, and I have no doubt that if this had been an education endowment compensation would have been given readily. I may mention also that if the Board do get compensation for this land they intend to use the money in making a street, which would cost about £2,500, and which would do away with the difficulties which now exist in connection with the means of access.

2. *Mr. Macandrew.* You say that an agreement was made between the General and Provincial Governments for an exchange of land?—Yes.

3. Is there any record of that?—Yes. The record is the ordinance itself.